

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	China	REPORT NO.	<input type="text"/>	25X1
SUBJECT	Regulations for Peddlers and Traveling Merchants in Fukien and Kwangtung	DATE DISTR.	2 April 1954	
		NO. OF PAGES	2	
25X1 DATE OF INFO.	<input type="text"/>	REQUIREMENT NO.	RD	
PLACE ACQUIRED	<input type="text"/>	REFERENCES		

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1. In early July 1953, peddlers and traveling merchants in eastern Kwangtung and southern Fukien had to apply for registration once a year.¹ When registering, each applicant could choose three of the following items to buy and to sell throughout the coming year: fish, charcoal, groceries, cigarettes, wine, oils. An identification booklet with a photograph attached was issued to each applicant. This booklet had to be available at all times for inspections by public security troops.
2. Applicants were classified as peddlers or traveling merchants in accordance with their personal capital at the time of registration. A peddler's capital could range from JMP 150,000 to JMP 2,000,000 and that of a traveling merchant from JMP 2,500,000 to more than JMP 10,000,000.
3. A traveling merchant was required to purchase two "Transport and Sales" notebooks at the time of registration. The merchant pasted his inventory of goods and his tax receipts in these notebooks and submitted them to the revenue bureau for recording and chopping. The name, the quantity, the weight, the unit price, the total price, and the date of purchase of all additional goods purchased by the merchant had to be recorded in these notebooks. When selling goods, the traveling merchant submitted his "Transport and Sales" notebook to the local revenue bureau for checking. Before the goods could be sold, the merchant had to buy a sales book with a stamp tax from the revenue bureau.
4. A peddler was allowed to sell his merchandise only within the hsien in which he was registered. A traveling merchant could sell outside his home hsien, but he was required to buy or to sell only in the areas prescribed by his travel permit.
5. Peddlers and merchants were required to obtain receipts bearing a 0.3 percent stamp tax for merchandise purchased by them for resale. These receipts, indicating the quantity and the price of purchased goods, were then taken to the local revenue bureau for payment of any due taxes. A special additional tax was imposed on all food supplies. Before the merchandise could be resold, the amount of tax paid, the place and the time of payment, and the time of delivery of the goods to the traveling merchant or peddler had to be entered in the books of the local revenue bureau.

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(Note:)

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6. The peddler or the traveling merchant issued a receipt to each buyer.² When he had sold all merchandise, the seller submitted to his home revenue bureau the total value of the sales and the receipt stubs. Traveling merchants were required to pay an eight percent tax on their total sales income; transportation, coolie, and other fees were not deductible from income; prices could not be raised to counterbalance the tax. The total amount involved in the sales and the amount of traveling-merchant tax paid were recorded in the merchant's "Transport and Sales" notebook, which was then returned to its owner. A fresh cycle of purchase and sale could be begun.
7. A fine was imposed for illegalities. To prevent tax evasion, the revenue bureau forbade traveling merchants to retail their goods, since sales under JMP 15,000 did not require that a receipt be issued to the buyer. Only peddlers and shopkeepers could sell at retail. A sale of goods weighing more than 10 catties was defined as a wholesale transaction.

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Comments

1. This registration presumably took place at the peddler's or traveling merchant's home revenue bureau.
2. Presumably the peddler issued receipts only for purchases of JMP 15,000 or more, as specified in paragraph 7.

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